

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Scottsdale Insurance Company,

Plaintiff,

v.

Dickstein Shapiro LLP; Certain Underwriters
at Lloyd's, London, including Brit UW
Limited for and on behalf of Lloyd's Syndicate
2987, Beazley Furlonge Ltd. for and on behalf
of Lloyd's Syndicate 2623, Beazley Furlonge
Ltd. for and on behalf of Lloyd's Syndicate
0623, Faraday Capital Limited for and on
behalf of Lloyd's Syndicate 0435, Amlin
Underwriting Limited for and on behalf of
Lloyd's Syndicate 2001, and Renaissance Re
Group for and on behalf of Lloyd's Syndicate
1458; Lexington Insurance Company; and
Swiss Re International SE – Zurich,

Defendants.

Case No. 18-cv-02893-SVW-GJS

~~[PROPOSED]~~ JUDGMENT

Hon. Stephen V. Wilson

1 Dickstein Shapiro LLP,

2 Counter and cross-claimant,

3 v.

4 Scottsdale Insurance Company,

5 Counter-defendant,

6 and

7 Certain Underwriters at Lloyd's, London,
8 including Brit UW Limited for and on behalf
9 of Lloyd's Syndicate 2987, Beazley Furlonge
10 Ltd. for and on behalf of Lloyd's Syndicate
11 2623, Beazley Furlonge Ltd. for and on behalf
12 of Lloyd's Syndicate 0623, Faraday Capital
13 Limited for and on behalf of Lloyd's Syndicate
14 0435, Amlin Underwriting Limited for and on
behalf of Lloyd's Syndicate 2001, and
Renaissance Re Group for and on behalf of
Lloyd's Syndicate 1458; Lexington Insurance
Company; and Swiss Re International SE –
Zurich,

15 Cross-defendants.

16 Certain Underwriters at Lloyd's, London,
17 including Brit UW Limited for and on behalf
18 of Lloyd's Syndicate 2987, Beazley Furlonge
19 Ltd. for and on behalf of Lloyd's Syndicate
20 2623, Beazley Furlonge Ltd. for and on behalf
21 of Lloyd's Syndicate 0623, Faraday Capital
22 Limited for and on behalf of Lloyd's Syndicate
23 0435, Amlin Underwriting Limited for and on
behalf of Lloyd's Syndicate 2001, and
Renaissance Re Group for and on behalf of
Lloyd's Syndicate 1458; Lexington Insurance
Company; and Swiss Re International SE –
Zurich,

24 Counter-claimants,

25 v.

26 Scottsdale Insurance Company,

27 Counter-defendant.
28

1 The Court, having granted in part and denied in part the cross-motions for summary
2 judgment of Plaintiff and Counter-Defendant Scottsdale Insurance Company
3 (“Scottsdale”) and of Defendants and Counter-Plaintiffs Certain Underwriters at Lloyd’s,
4 London, including Brit UW Limited for and on behalf of Lloyd’s Syndicate 2987, Beazley
5 Furlonge Ltd. for and on behalf of Lloyd’s Syndicate 2623, Beazley Furlonge Ltd. for and
6 on behalf of Lloyd’s Syndicate 0623, Faraday Capital Limited for and on behalf of
7 Lloyd’s Syndicate 0435, Amlin Underwriting Limited for and on behalf of Lloyd’s
8 Syndicate 2001, Renaissance Re Group for and on behalf of Lloyd’s Syndicate 1458,
9 Lexington Insurance Company, and Swiss Re International SE – Zurich (collectively
10 “Underwriters”) by its Order filed March 13, 2019 (Dkt. 178), hereby finds and enters
11 this JUDGMENT as follows:


- 12 1. The Primary Claims Made and Reported Lawyers Professional Liability Insurance
13 policy issued by Underwriters to Dickstein Shapiro LLP (“Dickstein”), identified as
14 Policy No. B0621PKIC00212 (the “Primary Policy”) for the period from December
15 20, 2012 to December 20, 2013, has been exhausted by the monies paid by the
16 Underwriters to SFA Group, LLC (“SFA”) pursuant to the Confidential Settlement
17 Agreement and General Release executed on December 7, 2017 (the “SFA
18 Settlement Agreement”).
- 19 2. The First Excess Lawyers Professional Liability Insurance policy issued by the
20 Underwriters identified as Policy No. B0621PDIC00312 (the “Underwriters First
21 Excess Policy”) is eroded by the SFA Settlement Agreement in an amount of
22 \$4,501,454.
- 23 3. The First Excess Lawyers Professional Liability Insurance Policy issued by
24 Scottsdale, via its managing agent Huntersure LLC, identified as Policy No.
25 B0621PDIC00312001 (the “Scottsdale First Excess Policy”) and the Underwriters
26 First Excess Policy (collectively, the “First Excess Policy”) is the operative
27 insurance policy for Dickstein’s defense in the action against Dickstein styled,
28 *Kevin R. McCarthy, as Chapter 7 Bankruptcy Trustee for Charles Taylor Muhs v.*

1 *Dickstein Shapiro LLC & Neal S. Barlia*, Index No. 58535/2017 (the “Muhs
2 Action”). Accordingly, ~~Scottsdale owes Dickstein 29.38% of Dickstein’s defense~~
3 ~~in the Muhs Action, to be paid within thirty (30) days of entry of this Judgment.~~

- 4 4. Underwriters are not entitled to any monetary contribution from Scottsdale for the
5 amount of the SFA Settlement Agreement paid from Underwriters First Excess
6 Policy, and to this extent Scottsdale prevails on Underwriters’ claim for equitable
7 contribution.
- 8 5. With respect to the competing claims of Scottsdale (*see* First Amended Complaint,
9 Dkt. 14, ¶ 58) and Underwriters (*see* Counterclaim, Dkt. 54, ¶ 72)) concerning their
10 respective responsibility for indemnity of Dickstein in the Muhs Action, the Court:
- 11 ☐ Enters Judgment in favor of Underwriters that Scottsdale is responsible
12 for 29.38% of Dickstein’s indemnity in the Muhs Action under the Scottsdale
13 First Excess Policy; or
- 14 ☒ Determines that since the settlement of the Muhs Action has not yet
15 been paid, this issue of indemnity is not adjudicated in this action and instead
16 is left for resolution by the parties outside of this action.
- 17 6. The Court finds that as between Scottsdale and Underwriters, neither is a prevailing
18 party, and that each will therefore bear their own costs, including attorney’s fees if
19 applicable.
- 20 7. The Court finds that Dickstein is a prevailing party as to Scottsdale, and in that
21 regard is entitled to recovery of its costs in this action.

22 **IT IS SO ORDERED AND ADJUDGED.**

23
24 DATED: 4/2/19

25 
26 Hon. Stephen V. Wilson
27 United States District Judge
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